

Good Morning Chairman Inouye, I am Gerald Danforth, Chairman of the Oneida Tribe of Wisconsin. I would like to comment on three areas: amendments to the Indian Gaming Regulatory Act that tribes believe are necessary; the oversight hearings tribes would like this committee to consider holding during the 107th Congress; and the economic impact Indian gaming has had on the MAST member tribes.

Amendments to the Indian Gaming Regulatory Act

Earlier this year, you along with Senator Campbell introduced S. 832, the Indian Gaming Regulatory Improvement Act of 2001. Several of the provisions included in this bill have been the topics of discussion for several years by both tribes and tribal regulators and come as very welcome news to Indian Country. Specifically, we believe the bill is helpful in the following ways:

- Provides that class II games using electronic, computer, or other technologic aids are not to be defined as Gambling Devices under the Johnson Act. This provision will bring IGRA into conformance with several recent court decisions holding that many of the technological aids used by tribes to assist in the play of bingo and pull-tabs do not violate the Johnson Act.
- Requires tribal gaming commissioners and commission employees to become subject to background checks, such as those conducted on primary management officials and key employees. This provision closes a gap in current law and is welcome.
- Requires the National Indian Gaming Commission to levy fees against tribal operations that are reasonably related to the duties of and services provided by the Commission to tribes, and in certain instances, to reduce the level of fees payable by those operations. The Oneida Tribe contributes over \$9 million annually to the regulatory aspects of our gaming operation. In an effort to make certain tribes are able to use funds generated by our casinos to directly meet the needs of our communities, costs associated with unnecessary regulatory overlap must be minimized.
- Directs the NIGC to commence a process of negotiated rulemaking to promulgate regulations relating to the monitoring and regulation of tribal gaming, the establishment and regulation of internal control systems, and the conduct of background investigations. Such regulations must be published in proposed form within 1-year of passage of this bill, and in a change from S. 2920 in the 106th Congress, S. 832 would sunset the NIGC's minimum internal control standards one year after the passage of the bill.

Although this bill addresses several of the concerns raised by tribes over the years, it does not provide for an alternative compacting process as tribes have requested since the Supreme Court's decision in Seminole. Additionally, we believe IGRA should be amended to more clearly and forcefully prohibit the ability of states to demand financial compensation from tribes as a condition before entering into or extending class III compact agreements. In the recent past, the Bureau of Indian Affairs has been far too willing to approve such provisions under the guise that tribes are receiving "exclusivity" in the gaming market. These areas must be addressed.

NIGC Oversight

We believe this committee should hold hearings on the following issues:

Authority of the NIGC – Over the past few years the NIGC has been engaged in an aggressive effort to expand its jurisdiction. They have promulgated regulations extending their regulatory authority over class III gaming—an area where tribes and states have already developed regulatory agreements under tribal/state compacts. The NIGC is also nearing the completion of health and safety regulations wherein the tribes and the Commission would exercise concurrent regulatory authority to insure tribal gaming facilities are constructed, maintained and operated in a manner which protects the environment, public health and safety.

Although tribes strongly believe and continue to demonstrate that gaming must be stringently regulated and conducted in a safe environment, we believe the NIGC has extended itself beyond the scope of authority provided under current law. Tribes are the primary regulators of their gaming establishments, with the Commission and the states taking on their respective roles as mandated under IGRA. The NIGC should not be allowed to simply develop regulations that recreate the wheel to enhance their own authority. Congress must be vigilant to make certain these boundaries are maintained in order to protect the integrity of the Act.

We also would like the Committee to hold oversight hearings on the staffing of the NIGC. The NIGC has received a significant increase in funding from tribes over the past few years, and Congress should have the opportunity to fully understand how that money is being spent. Again, tribes are not attempting to suggest that we don't want to be regulated, but rather that the reach of government is kept in check with the authority conveyed under the law.

Economic Impact of Gaming for MAST Member Tribes

Of the 36 MAST Tribes, 33 are gaming tribes. The intention of Indian gaming is to help tribes and Indian people grow stronger and more self-sufficient. Indian gaming is helping many tribes, like ours, rebuild their reservation communities, and it also bringing significant economic benefits to non-Indians.

Nationwide, Indian gaming provides more than 200,000 jobs, many of which are held by non-Indians. The Oneida Tribe is one of the largest employers in the Brown County, WI. Overall, we have 3,100 employees. Of these, 1,500 are in our gaming division – 40% are Oneida, 9% are from other Tribes, and 51% are non-Indian. The benefits that gaming brings to non-Indians, don't stop at employment; MAST gaming tribes are creating economic growth in many ways. There is less welfare in areas with Indian gaming facilities, more tax income from employee wages to the state and local governments, growth in spin-off businesses near casinos, and vendors and other suppliers have grown their businesses to meet the needs of Indian gaming facilities. The projected impact from gaming estimated at around \$12 billion.

For Oneida, and other MAST tribes, gaming also brings many benefits to our own communities and tribal members. In Oneida, gaming has provided us with the opportunity to build a new Police department, housing for our elders, a school, a day care facility, and we are currently in the process of

building a new health clinic, among other things.

Mr. Chairman, this is only the beginning. The list of benefits Indian gaming has brought to our communities could go on indefinitely.

I would like to thank you for inviting us here today and look forward to working with you on our legislative priorities for the 107th Congress.